

# CBD TAX INCREMENT FUND

The Central Business District (CBD) Tax Increment Fund was established in 1987 to account for the retirement of principal and interest on tax increment bonds issued for various improvements in the Central Business District redevelopment area. The bonds are repaid from the incremental taxes produced by the incremental increase in assessed property values within the tax increment district. Following a \$6,510,000 bond in 1989, the City has issued improvement/refunding bonds in 1990, 1994, 1998, 2000, 2002, 2003, and 2006. In accordance with the redevelopment plan, tax revenues are also dedicated to pay-as-you-go improvements to further the redevelopment of the Central Business District. The TIF district expires in 2021.

CBD TAX INCREMENT FUND				
	2005-06 <u>Actual</u>	2006-07 <u>Actual</u>	2007-08 <u>Budget</u>	2008-09 <u>Budget</u>
<b>REVENUES</b>				
Property taxes	\$ 3,461,803	4,248,556	4,414,489	5,384,571
Interest/other	47,080	71,454	13,500	15,000
<b>TOTAL REVENUES</b>	<b>3,508,883</b>	<b>4,320,010</b>	<b>4,427,989</b>	<b>5,399,571</b>
<b>EXPENDITURES</b>				
Personnel	122,315	175,857	0	0
Operating	21,177	62,086	0	0
Principal retirement	1,400,000	1,515,000	1,565,000	1,630,000
Interest and fiscal charges	1,420,230	1,449,951	1,394,866	1,337,850
<b>TOTAL EXPENDITURES</b>	<b>2,963,722</b>	<b>3,202,894</b>	<b>2,959,866</b>	<b>2,967,850</b>
Excess (deficiency) of revenues over expenditures	545,161	1,117,116	1,468,123	2,431,721
Other financing sources (uses)				
Transfer to Capital Proj.	(171,610)	(781,025)	(1,084,000)	(980,000)
Downtown Office Promotion	0	0	0	(100,000)
Transfer from Parking Fund	44,472	0	0	0
Transfer to General Fund	0	0	(259,066)	(291,238)
Total other financing sources	(127,138)	(781,025)	(1,343,066)	(1,371,238)
Total revenues over expenditures and other financing sources (uses)	418,023	336,091	125,057	1,060,483
Fund balance, beginning of year	350,541	768,564	1,104,655	1,229,712
Fund balance, end of year	\$ 768,564	1,104,655	1,229,712	2,290,195
Fund balance:				
Reserved for debt service	538,856	1,018,371	1,018,371	1,018,371
Unreserved/undesignated	229,708	86,284	211,341	1,271,824
	768,564	1,104,655	1,229,712	2,290,195

(CBD TAX INCREMENT FUND CONTINUED)

**FY 2008-09 BUDGET HIGHLIGHTS**

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The CBD TIF budget reflects:

- \$2,967,850 in debt service payments on outstanding tax increment bonds.
- \$980,000 for capital projects including Main Street Trees (\$150,000), S. Spring/Falls/East. Broad Street Improvements (\$145,000), East McBee Avenue Improvements (\$475,000), and East Broad Street Improvements (\$210,000).
- \$291,238 in General Fund transfer to support the Central Business District Work Crew.
- \$100,000 for the first year of a three-year commitment for the Downtown Office Recruitment Plan.

**CHANGE IN FUND BALANCE**

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The projected increase in fund balance from \$1,229,712 to \$2,290,195, or 86.2%, is attributable to building reserves necessary for capital projects proposed in future years of the *FY 2009-13 Capital Improvement Program*.